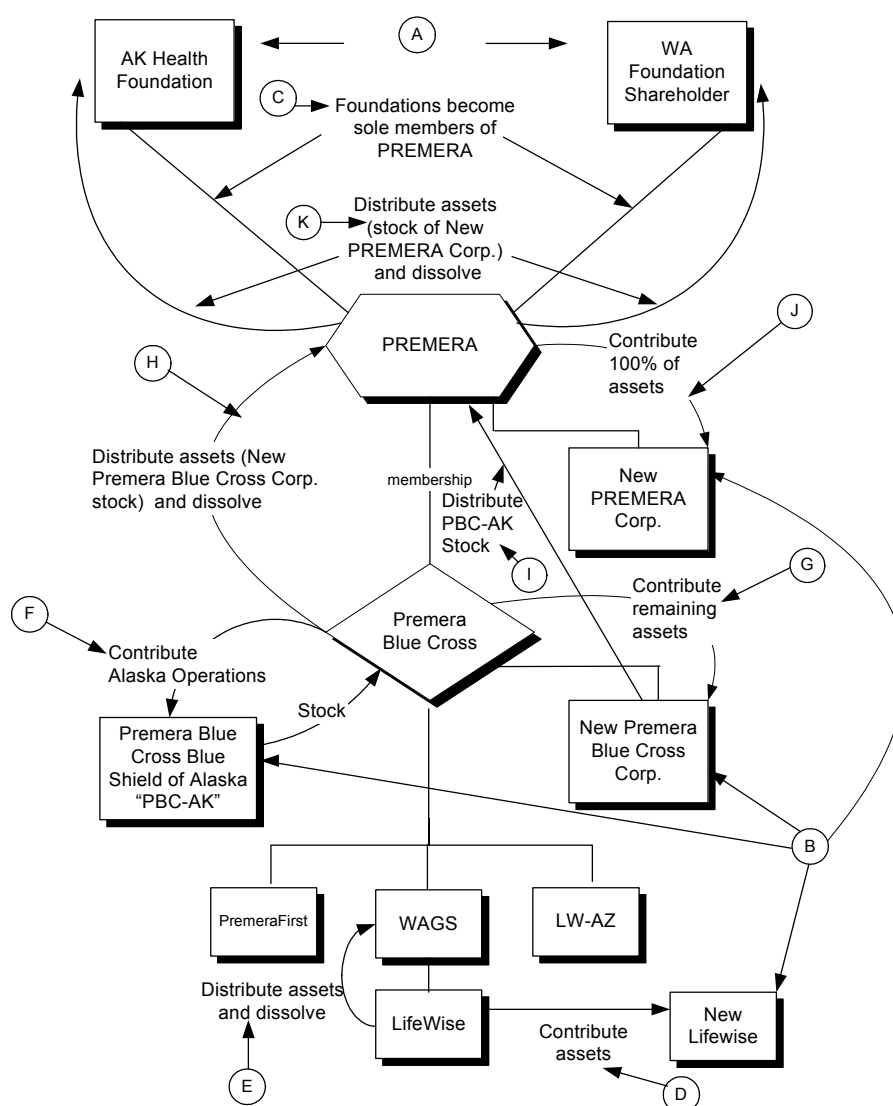


PREMERA Conversion Transaction



Step A: Two Foundations are formed under (501(a) and WA and AK nonprofit corporations) to hold stock until divestiture and to receive proceeds of stock sales and to administer charitable uses of such proceeds.	Step G: Premera Blue Cross contributes its remaining assets and liabilities (including all Washington contracts and stock of all its subsidiaries) to New Premera Blue Cross Corp. in exchange for its stock.
Step B: Form (1) New LifeWise Health Plan of Washington (WA corporation); (2) Premera Blue Cross Blue Shield of Alaska (AK corporation); (3) New Premera Blue Cross Corp. (WA corporation); (4) New PREMERA Corp. (WA corporation).	Step H: Premera Blue Cross distributes 100% of its assets (the New Premera Blue Cross Corp. stock) to PREMERA and dissolves.
Step C: Amend PREMERA's Articles of Incorporation to provide, among other things, that Foundations are the sole voting members of PREMERA.	Step I: New Premera Blue Cross Corp. distributes 100% of stock of Premera Blue Cross of Alaska to PREMERA.
Step D: LifeWise Health Plan of Washington contributes its assets and liabilities to New LifeWise Health Plan of Washington in exchange for its stock.	Step J: PREMERA contributes 100% of its assets and liabilities to New PREMERA Corp. for its stock.
Step E: LifeWise Health Plan of Washington distributes 100% of its assets (the stock of New LifeWise Health Plan of Washington) to Washington-Alaska Group Services, Inc. and dissolves.	Step K: PREMERA distributes 100% of its assets (the stock of New PREMERA Corp.) to the Foundation Shareholders, allocated as agreed by the States of WA & AK, and dissolves.
Step F: Premera Blue Cross transfers Alaska operations to Premera Blue Cross Blue Shield of Alaska for its stock (creating a subsidiary of Premera Blue Cross).	